# GOVERNMENT OF INDIA
# CIVIL AVIATION
# LOK SABHA

UNSTARRED QUESTION NO:2822
ANSWERED ON:10.03.2003
ASSISTANCE TO DOMESTIC CARRIERS
AMBATI BRAHMANAIAH

**Will the Minister of CIVIL AVIATION be pleased to state:**

(a) whether foreign airlines are exempted from payment of tax on the air fuel purchased in India;

(b) if so, whether Government propose to extend the same exemption to domestic air carriers;

(c) if not, whether the Government is considering providing cheaper landing and navigation facilities etc. to make it economical for domestic carriers;

(d) if so, whether Government have received representations from Indian Airlines in this regard; and

(e) if som the details therof?

## Answer

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION ( SHRI SHRIPAD YESSO NAIK )

(a): Yes Sir. An Act was enacted by the Parliament to exempt foreign airlines from levy of all taxes and duties on fuel and lubricants filled into receptacles of aircraft of any foreign country, which is a party to the convention on International Civil Aviation or which has entered into Air Services Agreements with India. This was done to meet India`s obligations arising out of the bilateral Air Services Agreements and Chicago Convention.

(b): Ministry of Finance had been requested to amend Central Sales Tax Act suitably to treat sale of ATF to Air India and India Airlines for their international operations as `deemed export` so that such ATF will be free from levy of sale tax etc.

(c), (d) and (e): Recommendations of Committee on Rationalisation of Airport user charges which inter-alia includes proposals for reduction in airport charges is under examination.